

Message Text

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ACTION IO-13

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E.O. 11652: N/A
TAGS: UNCTAD EGEN
SUBJECT: UNCTAD - 8TH SPECIAL SESSION OF TDB ON REVIEW AND APPRAISAL:
GROUP OF 77 POSITION PAPER

1. BEIN SUMMARY. SUMMARIZED BELOW ARE MAJOR POINTS OF POSITION PAPER
SUBMITTED ON APRIL 29 BY THE GROUP OF 77 FOR INCLUSION IN THE
REPORT OF THE TDB EIGHT SPCIAL SESSION, AS DESCRIBED
INS DEPTTEL. THIS PAPER, ESSENTIALLY AN EXPANSION OF THE
G-77 STATEMENT DESCRIBED IN GENEVA 3074, (1) CONCLUDES
THAT THE FAILURE OF THE DCS GENERALLY TO ATTAIN THE INTER-
NATIONAL DEVELOPMENT STRATEGY TARGETS FOR THE SECOND DE-
VELOPMENT DECADE WAS RESPONSIBLE FOR THE LDOS' DISAPPOINTING
ECONOMIC PERFORMANCE IN 1973-75; (2) DESCRIBES IN DETAIL
WHAT IT TERMS THE "DISMAL RECORD" OF IMPLEMENTATION OF
KEY POLICY PRESCRIPTIONS OF IDS AND NIEO RESOLUTIONS; AND
(3) STATES THAT THE PRESENT IDS HAS FAILED AND IS NO LONGER
APPROPRIATE, AND THAT THE TIME HAS COME TO BEGIN THE PROCESS
OF PREPARING AN ENTIRELY NEW IDS, BASED ON THE PHILOSOPHY
OF A RESTRUCTURED ORDER IN ACCORDANCE WITH THE NIEO,
CERDS, AND UNGA RESOLUTION 3362 (S-VII). END SUMMARY

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2. PAPER BEGINS BY STATING THAT IMPORTANT EVENTS SINCE
THE LAST R AND A EXERCISE IN 1975, INCLUDING CIEC, MTN
AND UNCTAD IV, HAVE THUS FAR ACHIEVED "VERY LITTLE."
ALSO STATES THAT IDS HAS FAILED IN ITS BASIC OBJECTIVES,
AND THAT SOME OF UNDERLYING PREMISES OF IDS ARE NO LONGER
APPROPRIATE TO MEET DEMANDS FOR A NEW STRUCTURE OF INTER-
NATIONAL ECONOMIC RELATIONS. ASSERTS THAT UNGA RESO-

LUTIONS ON NIEO AND CERDS, PLUS UNGA RESOLUTION 3362 (S-VII), SHOULD BE SEEN AS "THE FIRST OR INITIAL FORMULATIONS OF IDEAS BASED ON AN ENTIRELY DIFFERENT PHILOSOPHY OF DEVELOPMENT AND INTERNATIONAL ECONOMIC RELATIONS.

3. PAPER CITES THE FOLLOWING SPECIFIC DEVELOPMENTS AS DEMONSTRATING LACK OF "POLITICAL WILL" ON THE PART OF DCS GENERALLY IN NORTH/SOUTH RELATIONS. THE MARCH COMMON FUND NEGOTIATING CONFERENCE WAS DESCRIBED AS A FAIRLURE, AND IT WAS ASSERTED THAT A CHANGE IN ATTITUDE OF DCS IS REQUIRED TO ENSURE SUCCESSFUL COMPLETION OF NEGOTIATIONS ON THE CF BY NOVEMBER 1977 AND THOSE ON INDIVIDUAL COMMODITY AGREEMENTS BY THE END OF 1978. CLAIMED THAT LACK OF PROGRESS IN MTN "MAKES A MOCKERY OF COMMITMENTS MADE IN THE TOKYO DECLARATION TO SECURE, INTER ALIA, ADDITIONAL BENEFITS FOR LDC TRADE." ASSERTS THAT EFFECTIVENESS OF GSP SCHEMES HAS BEEN GREATLY REDUCED BY LIMITS ON PRODUCT COVERAGE, CEILINGS AND RULES OF ORIGIN, AND THE INCLUSION OF DISCRIMINATORY AND RESTRICTIVE ASPECTS. WHILE WELCOMING UNCTAD NEGOTIATIONS ON A CODE OF CONDUCT FOR TRANSFER OF TEHNOLOGY, THE PAPER STATES THAT IT MUST BE LEGALLY BINDING TO BE EFFECTIVE. STATES THAT NO SIGNIFICANT PROGRESS HAS BEEN MADE IN IMPLEMENTING UNGA RECOMMENDATIONS ON MONETARY REFORM AND DEVELOPMENT FINANCE, AS EFFORTS TO ESTABLISH SDR-AID LINK HAVE BEEN "FURSTRATED," WHILE TOTAL ODA HAS REACHED ONLY HALF OF THE IDS TARGET. STATES THAT THE CONTINUING MACHINERY OF UNCTAD SHOULD CONSIDER ON A PRIORITY BASIS CONCRETE MEASURES ON DEVELOPMENT FINANCE, COMPENSATORY FINANCING, UNCLASSIFIED

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ALLEVIATION OF LDC DEBT BURDEN AND REFORM OF INTERNATIONAL MONETARY SYSTEM, AND THAT THE TDB MINISTERIAL IN 1977 SHOULD COME UP WITH "DECISIVE OVERALL SOLUTIONS TO THE DEBT PROBELSM OF LDCS." IN ADDITION, THE G-77 PAPER CALLED FOR PROMPT ACTION IN MTN ON NON-TARIFF BARRIERS AGAINST LDC PRODUCTS, SUCCESSFUL CONCLUSION OF UNCTAD NEGOTIATIONS ON CONTROL OF RESTRICTIVE BUSINESS PRACTICES,AND THE ENTRANCE INTO FORCE OF THE CONVENTION ON A CODE OF CONDUCT FOR LINER CONFERENCES.

4. THE PAPER CITES AS A POSITIVE DEVELOPMENT THE ESTABLISHMENT OF COMMODITY PRODUCER ASSOCIATIONS WITH THE AIM OF ENHANCING THE "COUNTERVAILLING POWER" OF LDCS, AND REPORTS THAT EFFORTS ARE CONTINUING TO STRENGTHEN THE EXISTING PRODUCERS' ASSOCIATIONS, TO CREATE NEW ONES, AND TO ESTABLISH A COUNCIL OF PRODUCERS' ASSOCIATIONS. DESCRIBED AS A SIGNIFICANT DEVELOPMENT FOR FUTURE OF ECONOMIC COOPERATION AMONG LDCS, THE PAPER REPORTED THAT OPEC FLOWS OF AID AND ON-CONCESSIONAL LOANS TO OTHER

LDCS HAS INCREASED SUBSTANTIALY. ("TOTAL FINANCIAL COMMITMENTS" BY OPEC COUNTRIES WERE REPORTED AT \$8.1 BILLION IN 1974 AND \$9.0 BILLION IN 1975, AND THEIR NET DISBURSEMENTS OF AID WERE REPORTED AS \$2.5 BILLION IN 1974 AND \$2.7 BILLION IN 1975.) THE PAPER ALSO CLAIMED THAT AID REPRESENTS 1.35 PERCENT OF THE AGGREGATE GNP OF OPEC COUNTRIES, AS COMPARED WITH 0.35 PERCENT FOR DAC MEMBERS.

5. PAPER STATES THAT, ALTHOUGH CIEC HAS NOT YET PRODUCED AGREEMENT, G-77 ATTACHES GREAT IMPORTANCE TO IT AND LOOKS TO IT FOR CONCRETE RESULTS.

6. LOOKING TOWARD THE FUTURE, THE G-77 PAPER CONCLUDED THAT A NEW IDS SHOULD BE BASED ON RECOGNITION THAT PRESENT INTERNATIONAL SYSTEM MUST BE RESTRUCTURED "TO ACHIEVE A MORE RATIONAL AND EQUITABLE SET OF RELATION-
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SHIPS BETWEEN NATIONS." THIS RESTRUCTURED SYSTEM SHOULD FACILITATE IMPLEMENTATION OF LDCS' INDIVIDUAL NATIONAL DEVELOPMENT STRATEGIES AND EFFORTS TO ACHIEVE COLLECTIVE SELF-RELIANCE. FINALLY, THE PAPER CONCLUDES THAT AN ENTIRELY NEW IDS SHOULD BE BASED ON THE PRINCIPLES OF THE NIEC RESOLUTIONS IN PARTICULAR AS WELL AS THE CERDS AND RESOLUTION 3362, AND SHOULD PROVIDE "CLEAR DIRECTIVES" ON HOW TO ACHIEVE BROAD OBJECTIVES AND PRINCIPLES THROUGH CONCRETE NEGOTIATIONS. IT STATES THAT THE EXISTING MACHINRY OF THE UNITED NATIONS MUST BE "CONTINUOUSLY ADAPTED TO THIS PROGRESS BY MAKING IT RESPONSIVE TO THE NEEDS OF NEGOTIATION AND IMPLEMENTATION." SORENSON

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